

National Rural Letter Carriers' Union
Rebuttal Testimony
Before the
President's Commission on the United States Postal Service

We submit this rebuttal testimony on behalf of 102,000 Rural Letter Carriers, who deliver mail on 70,000 routes, drive 3 million miles a day and serve 30 million families and businesses. Our members are also known nationwide as a post office on wheels because we offer our customers all the services performed over the counter at a post office.

Rural Letter Carriers deliver on average 2,875 pieces of mail a day on each route. This total includes approximately 200 parcels a week—a higher number than you would find on some city routes because of where we deliver, the buying habits of our customers and the fact that, unlike our competitors, we have no surcharge for rural delivery.

We appreciate the commission's work and have been actively supporting the concept of postal reform for many years. The National Rural Letter Carriers' Association (NRLCA) has been at the forefront of attempts to enact meaningful postal reform legislation, and publicly endorsed such legislation when it was introduced in the last three Congresses. We have done this because mail is an important government function. And one of the basic strengths of the United States Postal Service (USPS) is our delivery to everyone, everywhere, everyday.

In the rebuttal testimony that follows we comment on several concepts introduced into testimony during the February 20 hearing in Washington, **D.C.**

Maintain the Universal Service Obligation

Many witnesses discussed the need to maintain the universal service obligation, a position the NRLCA strongly supports. Mailers and customers want dependable, affordable and regular service—six days a week. A number of things will ensure the USO continues.

First, the USPS needs greater pricing flexibility and the ability to retain earnings. It also must be allowed to offer negotiated service agreements to retain existing customers and to attract new ones—steps that will help generate mail volume growth.

Second, in exchange for this new flexibility the Postal Service would remain regulated, with some new powers assigned to that regulator. For example, the regulator would review postage rate increases, but only when they exceed the rate of inflation and after rates are implemented. The regulator would, for the first time, have subpoena power over the Postal Service, with protections in place regarding proprietary information. The review process would allow for appeals from mailers, the Postal Service and its competitors.

Appreciate the Limited Scope of Foreign Posts

Comparisons with foreign postal administrations have limited value because there are vast differences in volume, geography and revenue sources.

We deliver 46% of the world's mail and much more mail to every household than other developed nations. The U.S. Postal Service averages 725 pieces of addressed mail per customer each year. In contrast, the European Union countries average 265 pieces of addressed mail a year per customer, with France's LaPoste leading the way with 445.

Americans do twice as many financial transactions through the mail as any other country in the world. Europeans pay most bills with methods other than mailed checks, including payments directly at the Post Office or the bank. In the U.S. the mail mix is changing. Our share of ad mail is increasing and our share of 1st class mail including many financial transactions is declining. This is one reason the NRLCA believes that maintaining the status quo is not feasible.

European Union countries are relying increasingly on revenue from sources other than mail. EU Posts are permitted to be in other businesses: Financial Services, Logistics, and Express. However, the US Congress and those industries have not permitted the USPS to venture into other businesses.

Preserve the Monopoly on the Mailbox

During the testimony, there appeared to be some confusion concerning actual place of delivery. We deliver to the mailbox; however, given the changing economies of mail the receptacle has moved farther from the residence. Now it is more likely found at the edge of the highway than up the farmer's long driveway. In the suburbs, the mailbox is in a cluster of mail boxes where each suburban subdivision customer stops on the way to

their cul-de-sac. These moves of the mailbox away from the physical residences decrease the cost of delivery of the mail—a carrier can make more deliveries for the same wage. This is one example of how Rural Letter Carriers are working with the Postal Service to transform with the new reality.

Though the NRLCA is open to some changes, we do not believe the mailbox should be opened to anyone else. The nation and especially the Postal Service are in a period of uncertainty, with the threat of bioterrorism, identity theft and explosives so recently in everyone's mind. Opening the mailbox to any additional delivery service would only increase the public's anxiety and decrease their confidence in the Postal Service. This would be especially detrimental because currently, the American public holds the Postal Service to be one of the most trusted government agencies.

NRLCA also opposes opening the mailbox to outside companies because of the threat to our members. When the anthrax and explosive attacks on the mail occurred, the carriers and postal workers were at the front lines of exposure. Allowing others access to the mailbox would greatly increase risk for the carriers who pick up from and deliver to the mailboxes.

Preserve Collective Bargaining

Collective Bargaining has worked for the USPS. Collective bargaining is not the cause of the current financial dilemma of the Postal Service. Rural letter carriers and Postal Service Management have bargained successfully 10 of 12 times since 1970. Our members' wages have not exceeded the rate of inflation or CPI. Postal wages have declined relative to the private sector wages in general over the past two decades. Unions contend that a wage comparison should be made with other delivery companies (UPS and Federal Express) and other large firms (over 500 workers) but Postal management always argues that the comparison should be with all private sector wages.

NRLCA strongly supports the system of interest arbitration, even if we don't always agree with the results. The last NRLCA-USPS arbitration clearly was an overwhelming victory for management. The arbitrator, looking at disastrous postal finances, ruled strongly for management and demanded substantial productivity gains of rural carriers, which in spite of wage increases resulted in salary decreases because of the complex formulas of our evaluated system.

Additionally, USPS management has consistently refused to bargain with the rural craft for basic wages until the two larger unions basic wage package is settled. We do not believe the current system is broken; however we would be open to discussion of ways to improve collective bargaining.

NRLCA adamantly opposes the right to strike for public employees with an essential public service. We do not believe that a President or the Congress would allow a strike to occur or last. So, proposing a law allowing “the right to strike” for USPS employees is a specious proposal.

Dialogue Improves the Workplace

Despite the demoralizing and petty tactics displayed by managers during the recent mail counts (periods during which mail is actually counted for wage purposes) NRLCA remains committed to dialogue. NRLCA and Postal management have participated in the longest, continuous cooperative process experienced by the employer and any of the major unions. That process is the Quality of Work Life/ Employee Involvement (QWL/EI) and it exists at all levels, from the local office to the National Joint Steering Committee (NJSC). Members of the NJSC include the USPS Vice President of Operations and the National President of the NRLCA. QWL/EI is not perfect for either side but it has been a forum to jointly work toward improving the workplace environment while addressing the business needs of the USPS. The success of QWL/EI accrues to benefit of the parties’ customers, the mailing industry and, most importantly the American public. NRLCA has the fewest number of grievances of any craft. We have the highest Customer Satisfaction Index and the highest Employee Satisfaction Index in the Postal Service. As a result, of the almost 1.7 million new deliveries added each year for the past 10 years, management has selected the Rural Craft to serve over 1 million new deliveries each year.

Conclusion

Members of the Commission, you face a daunting task. You must make recommendations that will affect the lives of almost 3/4 of a million employees of USPS and 9 million employees in the mailing industry. Your recommendations will impact an industry that is approximately 8% of our GNP. We wish you insight, wisdom, and vision for the future. We stand ready to offer any assistance information or guidance. Please feel free to call on us at any time.

